

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue
Implementation and Administration of
California Renewables Portfolio Standard
Program.

Rulemaking 06-05-027
(Filed May 25, 2006)

**PILOT POWER GROUP, INC.'S AUGUST 2008 SEMI-
ANNUAL COMPLIANCE REPORT PURSUANT TO THE
CALIFORNIA RENEWABLES PORTFOLIO STANDARD**

Pilot Power Group, Inc. hereby submits its August, 2008 Semi-Annual Compliance Report pursuant to Rulemaking 06-05-027 filed on May 25, 2006. On or about July 18, 2008, the IOUs requested an extension of time to file this Report, which was granted for all filing LSEs by the Executive Director on or about July 23, 2008. The Report was originally due on or before August 1, 2008, and is now due on or before August 15, 2008. Pilot Power's Report and corresponding declaration have been filed accordingly.

Attached hereto as Exhibit "A" is a true and correct copy of the Declaration of Thomas R. Darton Regarding Confidentiality of Data in RPS Compliance Report.

Questions regarding this filing should be submitted to Thomas R. Darton at the address, telephone, fax and/or email addresses and numbers set forth below.

14-Aug-08

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CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD

Reporting and Compliance Worksheet Instructions

1. California's RPS Program requires Investor Owned Utilities (IOU), Multi-Jurisdictional Utilities (MJU), and Electric Service Providers (ESP) file a minimum of two reports each year illustrating performance within the program.
 - > The March 1 report (with updates after the California Energy Commission (CEC) verifies procurement, as needed) is used by the Commission to determine compliance for the prior year(s). This report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement data for at least three years (D.06-10-050, page 45, 49).
 - > The August 1 report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement levels for each year forward through 2020 (D.06-10-050, page 45, 51). The August report may be used by the Commission to make a final determination of compliance for the prior year(s).
2. If any load serving entity (LSE) seeks confidentiality protection for any of the information required by the RPS Compliance Report, it shall comply with the substantive and procedural rules set forth in D.06-06-066, as modified by D.08-04-023, the Commission's decision in its Confidentiality proceeding, Rulemaking (R.) 05-06-040, and any subsequent decisions issued in the same or successor proceeding. A declaration for Confidentiality should include the identification of all redacted information by tab name and cell reference.
3. RPS compliance reports will be submitted to the Commission as specified below:
 - > Serve a public version on the service list in proceeding R.06-05-027
 - > File a confidential version with the Energy Division
4. Any questions regarding the completion and/or filing of this report can be directed to:
Sean Simon, Energy Division, California Public Utilities Commission: svn@cpuc.ca.gov, (415) 703-3791
5. Please make sure that the following information about the filing entity is included on each tab:
 - > Name of the LSE filing the Report
 - > Date the Report is being filed
6. Include a Title Page in accordance with the Commission's Rules of Practice and Procedure (Rule 1.6)
7. Complete the Officer Verification Form in the format provided (Rule 1.11)
8. Yellow cells throughout the spreadsheet indicate user supplied data by the LSE where and when applicable.
9. All data must be entered in MWh out to three decimal points to accurately account for retail sales, procurement and targets. The spreadsheet will display MWh throughout. Do not round any reporting data.
10. The spreadsheet included in this report has locked cells to ensure that targets, procurement and penalties are accurately calculated and reported from the data provided by the user. An unprotected version of the spreadsheet is also available by request.
11. Line #'s in the "Accounting" tab hyperlink to the "Calculations" tab, which provides additional information on the particular line item or section of the "Accounting" tab.

SUMMARY TAB

12. The "Summary" tab is linked to the "Accounting" tab and "Procurement Detail" tab, no data entry is required.
13. If the LSE determines that additional information is required in order to present a full and complete report, mark the box provided on the "Summary" tab. Any additional information should support the LSE's claim within the guidelines of the eight allowable reasons for noncompliance. Furthermore, please state anything else the filing LSE believes is necessary for a full and complete reporting to the Commission in order to allow an informed decision on compliance. This may include, for example, footnotes and other explanatory information as necessary and reasonable.

ACCOUNTING TAB

14. Begin by selecting the appropriate headings and entering accurate data for Lines 1-3, this will calculate the ESPs' Baseline Procurement Amount. See D.07-07-025, Order Modifying Decision 06-10-019, for the Commission adopted ESP Baseline formula(s). (The Calculation tab for this report also documents the ESP Baseline formula(s))
15. In Line 4, select the appropriate Baseline year. ESPs beginning retail operations in California on or after January 1, 2006 will have an Initial Baseline Procurement Amount based on their total RPS-eligible procurement in their first calendar year of operation (D.07-07-025).
16. In Line 5, enter actual and forecasted sales figures to generate Incremental Procurement Targets (IPT) and Annual Procurement Targets (APT).
17. In deficit years, the spreadsheet calculates what portion of the deficit is eligible for IPT deferral and Earmarking. The user

records how they elect to treat the deficit(s) in the relevant sections, including using surplus procurement.

EARMARKING DETAIL TAB

18. Enter information for contracts that are eligible for earmarking and are being used for flexible compliance purposes. Data populates the earmarking section in the "Accounting" tab.

PROCUREMENT DETAIL TAB

19. Procurement Summary: *Total RPS Eligible Procurement* is differentiated by three categories, *existing and or signed contracts*, *short-listed/under negotiation/pending approval*, and *generic future contracts*. This section is populated by completing the Contract Detail section below. If the LSE has entered into contracts that are short-term or with existing facilities but cannot meet its Annual Minimum Contracting Requirement, then deliveries from those contracts may not be used for compliance in any year (D.07-05-028).
- > *Annual Contracting Quota Requirement*: LSEs must enter into long-term contracts or contracts with new facilities for energy deliveries equivalent to at least 0.25% of that LSE's prior years' retail sales, if it intends to use deliveries from short-term contracts and/or existing facilities, for RPS compliance purposes.
 - Contracts are differentiated by Contract term-length and type (row 15:16). All deliveries from "long-term and/or new" are automatically entered into "Cumulative Surplus Contracting Quota Bank" (row 19) and the user must input the MWh in row 18 that the LSE needs to comply with the Annual Contracting Quota Requirement, if necessary.
20. RPS Eligible Procurement by Resource Type: This report must state the amount procured or projected to be procured from each resource type (D.05-07-039, Appendix A, D.06-10-050, page 47-48). This information is reported in rows 25-38 in the "Procurement Detail" tab and populated by completing the "Contract Detail" section.
21. Contract Detail: For each contract, enter actual and forecasted delivery data throughout the contract term. Do not assume that an expiring contract will be renegotiated. In the first year a project is no longer under contract, remove the contract and/or MWh deliveries (in the case of pre-2002 contracts), and list the contract in the Expired Contracts section below.
- > *Pre-2002 Contracts*: Input total annual deliveries by resource type
 - > *2002-2008 years' Contracts*: List contracts by name, annual deliveries (MWh), project status, facility status and resource type.
 - > *2005-2008 years' Contracts*: In addition to the requirements above, Contracts from these years should be identified by term-length, short-term (less than 10 years) and long-term, as well as, by type, existing or new (defined below). For 2005 and 2006 contracts that were signed prior to 2007 can be identified as "n/a" for this purpose (refer to Column "X").
 - *"Contract Length / Type"* (Column "X") Pursuant to D.07-05-028, starting in 2007, each RPS-obligated LSE must, in order to be able to count for any RPS compliance purpose energy deliveries from contracts of less than 10 years' duration ("short-term") with RPS-eligible facilities that commenced commercial operation prior to January 1, 2005 ("existing facilities"), in each calendar year enter into contracts with facilities of at least 10 years' duration ("long-term") and/or short-term contracts with facilities that commenced commercial operation on or after January 1, 2005 ("new facilities") for energy deliveries equivalent to at least 0.25% of that LSE's prior year's retail sales ("minimum quantity").
 - *"Contract Volume"* (Column "Y") Input the total annual MWh as identified in the contract. Compliance with the minimum quota requirement is measured by contracted-for-energy, not deliveries.
 - > *"Generic Future Contracts"*: Input total forecasted annual deliveries by resource type
 - > *"Expired Contracts"*: User should identify expired contract by name and input annual deliveries (MWh) in the first year contract is no longer delivering for the LSE (per existing contract) and in every year thereafter. For example, if a contract with annual deliveries of 10,000 MWh expired 12/31/2007, user should enter 10,000 MWh in 2008 and in every year thereafter. If this same contract expired 6/30/2007, user should enter 5,000 MWh in 2007 and 10,000 in every year thereafter. If an expired or expiring contract is re-signed, remove contract information from "Expired Contracts" section and enter it under the appropriate contracting year, as you would for any other contract.
22. In the "Contract Status" column, "short-listed and/or under negotiation" is an option; use the short-listed option only for projects for which the IOU has a high level of confidence that a contract will be executed.
23. If any procurement data for a specific contract differs from what is entered into the CEC-RPS-Track form for that year, the specific cell should be highlighted and the discrepancy should be explained.

Spreadsheet user notes

- > Protecting confidential data: Individual cells may be formatted black, which will serve to redact info when excel file is converted to pdf. Select cell - click on "fill color" icon - choose black. Note: Once converted to pdf, additional steps are necessary to ensure redacted data is not accessible.
- > Adding and/or deleting rows. The "Earmarking Detail" tab and "Procurement Detail" tab allow user add to or delete rows. Within the desired section, highlight entire row(s) by selecting the excel row number(s) - right click and select "copy" - right click again and select "insert copied cells"

RPS Compliance Report: Summary

Pilot Power Group, Inc.	2006
8/14/2008	

RPS Summary Report	MWh	%
Prior Year California Retail Sales	1,058,030	
Annual Procurement Target (APT)	10,580	1.0%
California RPS-Eligible Procurement	16,981	1.6%
Annual Procurement Surplus/(Deficit)	6,401	
Adjusted Procurement Percentage*		1.6%

* 'Adjusted Procurement Percentage' includes flexible compliance as proposed by the LSE, it is not necessarily used to determine compliance.

RPS Eligible Procurement	MWh	%
Biomass	0	0.0%
Digester Gas	0	0.0%
Biodiesel	0	0.0%
Landfill Gas	16,981	100.0%
Muni Solid Waste	0	0.0%
<i>Biopower Subtotal</i>	16,981	100.0%
Geothermal	0	0.0%
Small Hydro	0	0.0%
Conduit Hydro	0	0.0%
Solar PV	0	0.0%
Solar Thermal	0	0.0%
Wind	0	0.0%
Ocean/Tidal	0	0.0%
Fuel Cells	0	0.0%
Total RPS Eligible Procurement	16,981	100.0%

Flexible Compliance	MWh
IPT Deferral	0
Earmarking	0
Banked Procurement Applied	0
Total Flexible Compliance	0

Deficits and Penalties	2006
Preliminary Procurement (Deficit)	0
Adjusted Annual Procurement Deficit	0
Adjusted Deficit Deferred	0
Potential Penalty	\$0
Current Penalty (with flexible compliance)	\$0

** Potential Penalty is calculated based on 'Adjusted Annual Procurement Deficit' and may be deferred or waived if LSE provides allowable reasons and/or uses flexible compliance.

☐ Check box (x) if LSE is including supplemental materials necessary for a full and complete report (include attachments as needed).

- Any supplemental materials should state each reason asserted in support of deferral or waiver of penalty, consistent with allowable reasons for non-compliance listed below. (D.03-12-065, D.03-06-071, D.06-05-010 and Public Utilities Code Section 399.14(a)(2)(C)(ii).)

[Insufficient response to RFO, Contracts already executed will provide future deliveries sufficient to satisfy current year deficits, Inadequate public goods funds to cover above-market costs, Seller non-performance, Lack of effective competition, Deferral promotes ratepayer interests and RPS objectives, Showing of good cause, Insufficient transmission]

- If stating earmarked contracts as a reason for a temporary deferral, make sure contract names and planned energy deliveries match what is listed in Earmarking Detail and Procurement Detail tabs.

RPS Compliance Report: Summary

Pilot Power Group, Inc.	2007
8/14/2008	

RPS Summary Report	MWh	%
Prior Year California Retail Sales	1,173,700	
Annual Procurement Target (APT)	22,317	1.9%
California RPS-Eligible Procurement	40,680	3.5%
Annual Procurement Surplus/(Deficit)	18,363	
Adjusted Procurement Percentage*		3.5%

* 'Adjusted Procurement Percentage' includes flexible compliance as proposed by the LSE, it is not necessarily used to determine compliance.

RPS Eligible Procurement	MWh	%
Biomass	0	0.0%
Digester Gas	0	0.0%
Biodiesel	0	0.0%
Landfill Gas	40,680	100.0%
Muni Solid Waste	0	0.0%
<i>Biopower Subtotal</i>	40,680	100.0%
Geothermal	0	0.0%
Small Hydro	0	0.0%
Conduit Hydro	0	0.0%
Solar PV	0	0.0%
Solar Thermal	0	0.0%
Wind	0	0.0%
Ocean/Tidal	0	0.0%
Fuel Cells	0	0.0%
Total RPS Eligible Procurement	40,680	100.0%

Flexible Compliance	MWh
IPT Deferral	0
Earmarking	0
Banked Procurement Applied	0
Total Flexible Compliance	0

Deficits and Penalties	2007
Preliminary Procurement (Deficit)	0
Adjusted Annual Procurement Deficit	0
Adjusted Deficit Deferred	0
Potential Penalty	\$0
Current Penalty (with flexible compliance)	\$0

** Potential Penalty is calculated based on 'Adjusted Annual Procurement Deficit' and may be deferred or waived if LSE provides allowable reasons and/or uses flexible compliance.

☐ Check box (x) if LSE is including supplemental materials necessary for a full and complete report (include attachments as needed).

- Any supplemental materials should state each reason asserted in support of deferral or waiver of penalty, consistent with allowable reasons for non-compliance listed below. (D.03-12-065, D.03-06-071, D.06-05-010 and Public Utilities Code Section 399.14(a)(2)(C)(ii).)

[Insufficient response to RFO, Contracts already executed will provide future deliveries sufficient to satisfy current year deficits, Inadequate public goods funds to cover above-market costs, Seller non-performance, Lack of effective competition, Deferral promotes ratepayer interests and RPS objectives, Showing of good cause, Insufficient transmission]

- If stating earmarked contracts as a reason for a temporary deferral, make sure contract names and planned energy deliveries match what is listed in Earmarking Detail and Procurement Detail tabs.

RPS Compliance Report: Accounting

Pilot Power Group, Inc.
8/14/2008

Line#	RPS Baseline Calculation	(MWh)
1	2001 Total CA Retail Sales	108,396
2	2001 CA RPS-Eligible Procurement	0
3	2005 Total CA Retail Sales	1,058,030
4	2005 Baseline Procurement Amount	0

	Input Required
	Forecasted Data
	Actual Data

		Actual					Forecast			Forecast			Forecast					
RPS Procurement and Targets (MWh)		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
5	California Retail Sales	N/A	N/A	1,058,030	1,173,700					1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021
6	California RPS-Eligible Procurement	N/A	N/A	0	16,981	40,680	40,680	38,400	5,200	5,200	5,200	5,200	5,200	5,200	5,200	0	0	0
7	Annual Procurement Target (APT)	N/A	N/A	0	10,580					234,604	234,604	234,604	234,604	234,604	234,604	234,604	234,604	234,604
8	Incremental Procurement Target (IPT)	N/A	N/A	N/A	10,580					0	0	0	0	0	0	0	0	0
9	Preliminary Procurement Surplus/(Deficit)	N/A	N/A	0	6,401					(229,404)	(229,404)	(229,404)	(229,404)	(229,404)	(229,404)	(234,604)	(234,604)	(234,604)
10	APT Percentage	N/A	N/A	N/A	1.0%					20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
11	Actual Procurement Percentage	N/A	N/A	0.0%	1.6%					0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.0%	0.0%
12	Adjusted Procurement Percentage*	N/A	N/A	N/A	1.6%					0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.0%	0.0%	0.0%

		Actual					Forecast			Forecast			Forecast					
Flexible Compliance - IPT Deferral		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
13	Maximum Deficit Eligible for Deferral	N/A	N/A	N/A	0				2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933	2,933
14	Deficit being Carried Forward to Year + 1	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Deficit being Carried Forward to Year + 2	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Deficit being Carried Forward to Year + 3	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Total Current Year Deficit Carried Forward	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Remaining Deficit from Year - 1 to Be Filled in Current Year	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Remaining Deficit from Year - 2 to Be Filled in Current Year	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0
20	Remaining Deficit from Year - 3 to Be Filled in Current Year	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0
21	Total Prior Year IPT Deficits That Must Be Filled This Year	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Current Year Surplus Procurement Applied to Year - 1 Deficit	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Current Year Surplus Procurement Applied to Year - 2 Deficit	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0
24	Current Year Surplus Procurement Applied to Year - 3 Deficit	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0
25	Total Deliveries Applied to Prior Year IPT Deficits	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0

		Actual					Forecast			Forecast			Forecast					
Flexible Compliance - Earmarking		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
26	Portion of Current Year Deficit Eligible for Earmarking	N/A	N/A	N/A	0				226,472	226,472	226,472	226,472	226,472	226,472	226,472	231,672	231,672	231,672
27	Future Year Deliveries Earmarked from Year + 1	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Future Year Deliveries Earmarked from Year + 2	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	N/A
29	Future Year Deliveries Earmarked from Year + 3	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
30	Total Projected Procurement Earmarked to Current Year	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Current Year Deliveries Earmarked to Year - 1	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Current Year Deliveries Earmarked to Year - 2	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0
33	Current Year Deliveries Earmarked to Year - 3	N/A	N/A	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0
34	Total Deliveries Earmarked to Prior Year Earmarked Deficits	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0

		Actual					Forecast			Forecast			Forecast					
Surplus Procurement Bank		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
35	Surplus Procurement Bank Balance as of Prior Year	N/A	N/A	0	0					31,396	31,396	31,396	31,396	31,396	31,396	31,396	31,396	31,396
36	Application of Banked Surplus Procurement to Current Year Deficit	N/A	N/A															
37	Adjusted Current Year Annual Surplus Procurement	N/A	N/A	0	6,401					0	0	0	0	0	0	0	0	0
38	Cumulative Surplus Procurement Bank Balance	N/A	N/A	0	6,401					31,396	31,396	31,396	31,396	31,396	31,396	31,396	31,396	31,396

		Actual					Forecast			Forecast			Forecast					
Adjusted Deficit		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
39	Adjusted Annual Procurement Deficit	N/A	N/A	N/A	0					(229,404)	(229,404)	(229,404)	(229,404)	(229,404)	(229,404)	(234,604)	(234,604)	(234,604)
40	Adjusted Deficit Deferred	N/A	N/A	N/A	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	Potential Penalty	N/A	N/A	N/A	\$0	\$0												
42	Current Penalty (with flexible compliance)	N/A	N/A	N/A	\$0	\$0												

Potential Penalty may be deferred or waived if LSE provides allowable reasons and/or uses flexible compliance

2020
1,173,021
0
234,604
0
(234,604)
20.0%
0.0%
0.0%

2020
2,933
0
0
0
0
0
0
0
0
0
0
0
0
0
0

2020
231,672
N/A
N/A
N/A
0
0
0
0
0

2020
31,396
0
31,396

2020
(234,604)
0

RPS Compliance Report: Earmarking Detail

Input Required
Forecasted Data
Actual Data

Pilot Power Group, Inc.
8/14/2008

		Actual			Forecast			Forecast				
Total Annual Earmarked Generation (MWh)		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Contracted Generation	0	0	0	0	0	0	0	0	0	0	0
	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A	0	0	0	0	0	0	0	0	0
	Allocated to Year - 2	N/A	N/A	N/A	0	0	0	0	0	0	0	0
	Allocated to Year - 3	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0

Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							
Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							
Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							
Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							
Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							
Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							
Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							
Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							
Contract Name	Contracted Generation											
Eligible for [YEAR] deficit	Withdrawal from Current Year	0	0	0	0	0	0	0	0	0	0	0
	Allocated to Year - 1	N/A	N/A									
	Allocated to Year - 2	N/A	N/A	N/A								
	Allocated to Year - 3	N/A	N/A	N/A	N/A							

RPS Compliance Report: Procurement Detail

	Input Required	Pilot Power Group, Inc.
	Forecasted Data	8/14/2008
	Actual Data	

[illegible][illegible][illegible]

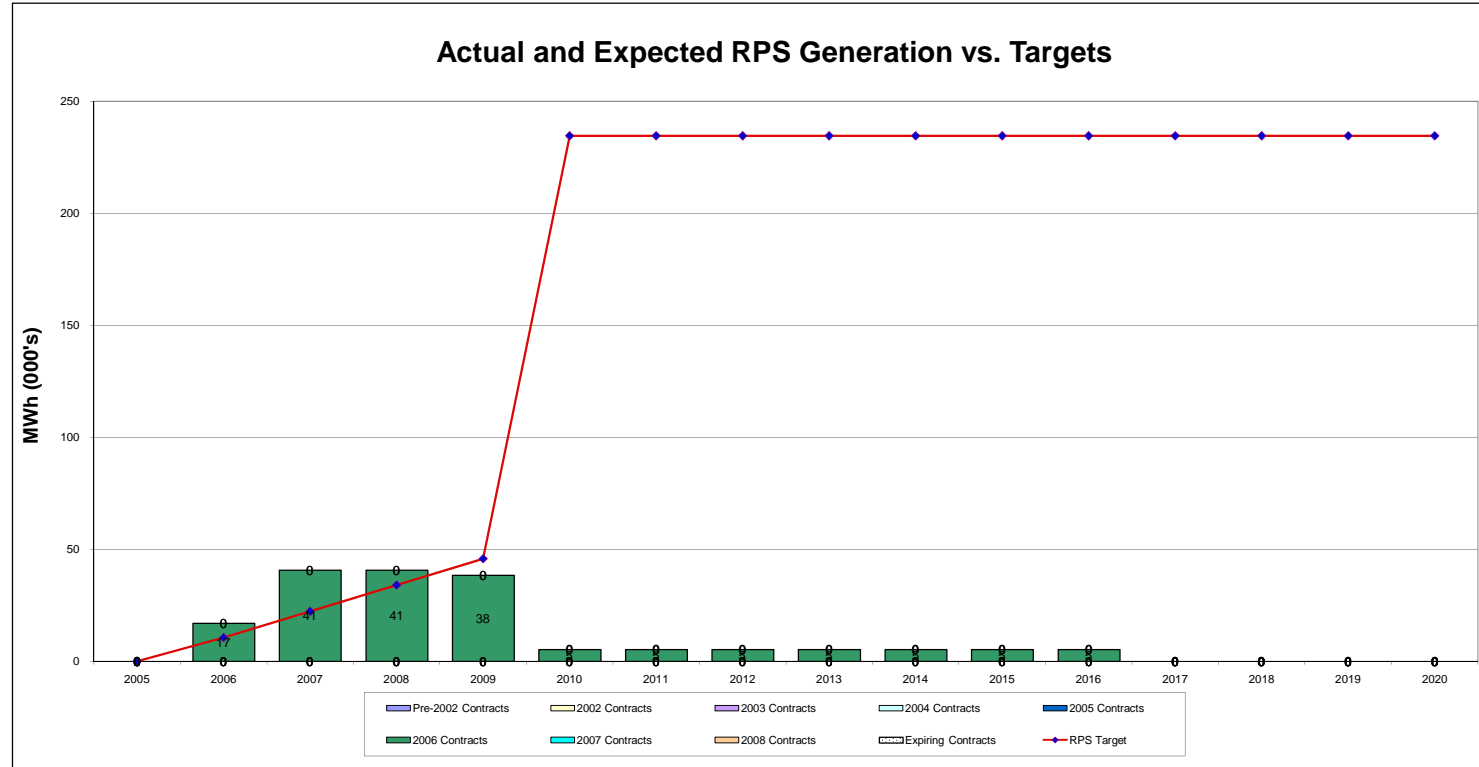
[illegible]

Cell: E14
Comment: Pursuant to D.07-05-028

RPS Compliance Report: Performance Chart

Pilot Power Group, Inc.
8/14/2008

RPS Procurement and Targets (MWh)	Actual MWh					Forecast MWh			Forecast MWh									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Retail Sales	N/A	N/A	1,058,030	1,173,700					1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021	1,173,021
Actual RPS Procurement %	N/A	N/A	0.0%	1.6%					0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
IPT	N/A	N/A	N/A	10,580					0	0	0	0	0	0	0	0	0	0
APT % (Baseline for 2003)	N/A	N/A	N/A	1.0%					20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
APT as MWh Amount	N/A	N/A	0	10,580					234,604	234,604	234,604	234,604	234,604	234,604	234,604	234,604	234,604	234,604
Preliminary Surplus/(Deficit)	N/A	N/A	0	6,401					(229,404)	(229,404)	(229,404)	(229,404)	(229,404)	(229,404)	(234,604)	(234,604)	(234,604)	(234,604)



RPS Compliance Report: Calculations

RPS Baseline Inputs (MWh)		
Line#	Calculation	Notes
	Pursuant to D.07-07-025, the 2005 Initial Baseline Procurement Amount for the electric service providers (ESPs) is calculated using the following equation(s): 2001 CA RPS-eligible Procurement / 2001 total CA retail sales X 2005 total CA retail sales	
1-4	ESPs beginning retail sales in California between January 1, 2002 and December 31, 2005, the analogous formula is: CA RPS-eligible procurement in first year of CA retail sales / first-year CA retail sales X 2005 total CA retail sales	
	ESPs beginning retail sales after December 31, 2005, the Baseline Procurement Amount is equal to first year's RPS-Eligible Procurement	

RPS Procurement and Targets (MWh)		
Line#	Calculation	Notes
5	User supplied data	Annual retail sales actual and forecast
6	Data from "Procurement Detail" tab	In current and past years, this line should equal Total RPS-Eligible Procurement in procurement detail tab.
7	Prior year Line 7 + Line 8	
8	1% of line 5 (Y-1)	
9	Line 6 - Line 7	
10	Line 7 / Line 5 (Y-1)	
11	Line 6 / Line 5 (Y-1)	In 2005, 2005 CA RPS procurement is divided by 2001 CA total retail sales (or first-year CA retail sales).
12	(Line 6 + Line 17 + Line 25 + Line 30 + Line 34 + Line 36) / Line 5 (Y-1)	RPS procurement percentage after applying flexible compliance, assuming all allowable planned deliveries come online as planned.

Flexible Compliance - IPT Deferral		
Line#	Calculation	Notes
13	Up to 0.25% of Prior Year Retail Sales	The first year with an IPT, 100% of the IPT can be deferred for up to 3 years without explanation.
14-16	User supplied data	
17	Sum of Lines 14-16	Current year deficit carried forward. Warning triggered if cell value is greater than Line 13.
18-20	Record of Lines 14-16	Deferred IPT obligations due in current year.
21	Sum of Lines 18-20	Total deferred IPT obligations due in current year
22-24	User supplied data	Past year IPT obligations retired with current year surplus procurement. Per accounting rules D. 06-10-050, Attachment A, page 9-10, current year deliveries may only be applied to past year IPT deficits after earmarked deliveries have been subtracted, and after any deliveries needed to meet current year APT have also been subtracted (D.03-06-0711, Conclusion of Law 25).
25	Sum of Lines 22-24	Total current year surplus applied to prior year IPT obligations due in current year

Flexible Compliance - Earmarking		
Line#	Calculation	Notes
26	Line 9 + Line 13 + Line 34	
27-29	Data from "Earmarking Detail" tab	
30	Sum of Lines 27-29	
31-33	User supplied data	User supplied data. Current year deliveries may only be applied to past year deficits which have been deferred by earmarking, after current year APT has been met (D.03-06-071), Conclusion of Law 25).
34	Sum of Lines 31-33	Total current year surplus subtracted to meet prior years Earmarking obligations due in current year

Surplus Procurement Bank		
Line#	Calculation	Notes
35	Line 38 (Y-1)	
36	User supplied data	
37	Line 9+ Line 25 + Line 34	Current year surplus procurement less any prior year IPT obligations and/or Earmarking obligations
38	Sum of Lines 35-37	

Adjusted Deficit		
Line#	Calculation	Notes
39	Line 9 + use of Surplus Procurement	In any current year, the adjusted annual procurement deficit is the LSE's annual deficit less use of Surplus Procurement.
40	Record of LSE's use of IPT deferral and Earmarking	In any current year, the adjusted deficit deferred is the total IPT deferral and Earmarked deliveries.
41	Line 39 * \$50.0	Per accounting rules, LSEs must list penalty based the size of on adjusted annual procurement deficit, even if allowable reasons are being given for why the penalty is not yet due and payable. Penalties are assessed at \$0.05/kWh deficit.
42	(Line 39 + 40) * \$50.0	LSE's have the opportunity to make up annual procurement deficits through existing flexible compliance rules. Accordingly, if an LSE has a deficit in year 1, and is able to fully exercise flexible compliance mechanisms, the penalty for year 1 compliance may not apply.

OFFICER VERIFICATION FORM

I am an officer of the reporting corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true. The spreadsheet format used to file this compliance report has not [has] been altered from the version issued or approved by Energy Division [, with the alterations described in this report].

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 14, 2008 at San Diego, California.

A handwritten signature in black ink, appearing to read "Thomas R. Darton", written over a horizontal line.

Thomas R. Darton, Vice President

Pilot Power Group, Inc.